

TESTIMONY TO THE HOUSE COMMERCE COMMITTEE

IN SUPPORT OF SENATE BILL 1097

BY KEVIN STOTTS, PRESIDENT, TALENT 2025

DECEMBER 10, 2014

GOOD MORNING. MY NAME IS KEVIN STOTTS AND I AM PRESIDENT OF TALENT 2025, A COALITION OF OVER 80 WEST MICHIGAN CEOS WHO ARE WORKING TO IMPROVE THE QUALITY OF TALENT THROUGHOUT THE WEST MICHIGAN REGION.

THANKS FOR THE OPPORTUNITY TO SPEAK TO YOU TODAY IN SUPPORT OF SENATE BILL 1097, WHICH EXPANDS THE NUMBER OF SMART ZONES IN MICHIGAN.

AS I JUST MENTIONED, TALENT 2025 IS A COALITION OF BUSINESS LEADERS WHO ARE WORKING WITH EDUCATION, WORKFORCE DEVELOPMENT AND ECONOMIC DEVELOPMENT LEADERS TO CATALYZE AN INTEGRATED TALENT SYSTEM. OUR VISION IS TO ACHIEVE THE STATUS OF A TOP-20 REGION GLOBALLY BY 2025.

TALENT 2025'S CEOS CONVENE STAKEHOLDERS AND FACILITATE COLLABORATIVE WORKING GROUPS TO ILLUMINATE PERFORMANCE GAPS WITHIN THE WEST MICHIGAN TALENT SYSTEM, EVALUATE LEADING PRACTICES AS POSSIBLE SOLUTIONS, AND ADVOCATE FOR SELECTED LEADING PRACTICES TO BE IMPLEMENTED ACROSS THE REGION.

AS WE ALL KNOW, ENTREPRENEURSHIP IS A KEY FACTOR IN A COMMUNITY'S TALENT BASE. OVER TWO YEARS AGO, TALENT 2025 DOCUMENTED THE FACT OUR REGION TRAILED THOSE REGIONS WHO ARE THE MOST RECOGNIZED FOR ENTREPRENEURIAL ACTIVITY BY A SIGNIFICANT MARGIN.

OUR ENTREPRENEURSHIP WORKING GROUP BEGAN EXPLORING WHY THESE COMMUNITIES WERE SO SUCCESSFUL AND QUICKLY ZEROED IN THE HIGHLY SUCCESSFUL ECOSYSTEM MODEL IN SAN DIEGO, CALIFORNIA. THE INITIATIVE IS CALLED CONNECT AND WAS FOUNDED IN THE MID 1980'S. SINCE THEN IT HAS

BEEN INSTRUMENTAL IN CREATING OVER 3,000 START UP COMPANIES, PRINCIPALLY LIFE SCIENCE AND TECHNOLOGY BUSINESSES. I AM PROUD TO SAY THANKS TO HARD WORK OF MANY PARTNERS IN THE PUBLIC AND PRIVATE SECTORS WE WERE ABLE TO ESTABLISH A SIMILAR INITIATIVE IN OCTOBER, 2014 BY MERGING A NUMBER OF ENTITIES TO CREATE A ROBUST ORGANIZATION TO SERVE THE NEEDS OF ENTRPRENEURS THROUGHOUT WEST MICHIGAN.

FROM THE BEGINNING, THE DESIGN OF THE NEW ORGANIZATION WAS INTENTIONALLY A PUBLIC-PRIVATE PARTNERSHIP. THE BOARD IS INCLUSIVE OF BOTH PUBLIC AND PRIVATE STAKEHOLDERS, AND THE BUDGET REFLECTS CONTRIBUTIONS FROM THE GRAND RAPIDS SMART ZONE AND THE PRIVATE SECTOR, PRINCIPALLY TALENT 2025 CEOS. GRAND VALLEY STATE UNIVERSITY THROUGH ITS RICHARD AND HELEN DEVOS CENTER FOR ENTREPRENEURISM AND INNOVATION IS A MAJOR PARTNER. THIS NEW ORGANIZATION, E- WEST MICHIGAN, NOW LEVERAGES OVER \$1.5 MILLION TO DRIVE REGIONAL ENTREPRENEURISM IN WEST MICHIGAN. TARGETED GOALS IN THE FIRST 3 YEARS: 375 COMPANY ASSISTS, 200 COMMUNITY MENTORS, 38 NEW COMPANIES, 300+ JOBS AND \$37.5 MILLION IN CAPITAL ATTRACTED.

BOTH THE GRAND RAPIDS AND HOLLAND SMART ZONES ARE COMMITTED PARTNERS WITH E-MERGE WEST MICHIGAN. THE SUSTAINABILITY AND GROWTH OF E-MERGE WEST MICHIGAN DEPENDS ON BOTH PUBLIC AND PRIVATE FUNDING. THE CREATION OF SMART ZONE IN HOLLAND, LINKED TO THE ONE IN GRAND RAPIDS, IS ESSENTIAL TO CREATING THIS ENTREPRENUERIAL ECOSYSTEM. THE ADDITIONAL \$15 MILLION IN FUNDING THROUGH THE SCHOOL TAX INCREMENT COLLECTIONBY THE SMART ZONE IN GRAND RAPIDS AND ITS SATELITTE IN HOLLAND IS ESSENTIAL TO THE LONG-TERM SUCCESS OF THIS NEW REGIONAL ENTREPRENEURIAL ECOSYSTEM.

THE ENTREPRENEURIAL ECOSYSTEM WE ARE WORKING TO CREATE IN WEST MICHIGAN HAS THREE KEY COMPONENTS: CONNECTING ENTREPRENEURS TO SUPPORT SERVICES, MENTORSHIP FOR EARLY STAGE COMPANIES, AND FUNDING FOR BUSINESS INCUBATION. THE EXPANSION OF SMART ZONES IN MICHIGAN, INCLUDING ONE IN HOLLAND, IS AN ESSENTIAL TO THIS EFFORT.

THANK YOU FOR ALLOWING ME TO SPEAK TO YOU THIS MORNING AND I
ENCOURAGE YOU TO SUPPORT THIS IMPORTANT LEGISLATION.